



American Lighting
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February 25, 2015

Docket No. 15-BSTD-01 TITLE 24 – THE IMPACT TO MY COMPANY

I am writing to you in regards to the extremely serious impact that the new Title 24 rules have had on the California lighting industry. I saw this impact coming a year ago and I stood up and made a very emotional plea at an SDGE seminar on this matter 12 months ago. I also spent considerable time campaigning every utility company energy manager, the governor, senator, CPUC, and CEC person I could possibly think of. I knew that Title 24 would kill our lighting retrofit industry. **And it has.**

Our company has been in business since 1986. We have years of experience of working across the entire state. We have received many awards from SDGE, SCE, and PGE for the work that we perform. I know many of the program managers and “experts” in the state. Over the years we have made course adjustments and corrections to accommodate the constantly changing world of lighting efficiency. We are just the right size to be able to make swift and rapid changes to stay current in this market. Over the years we have been very successful with retrofitting all types of commercial businesses from local pizza shops to schools and colleges, to hospitals, military bases, city jails, large commercial skyscrapers, parking garages, apartment complexes, and every type of building in between. We have seen the industry change from T12 lamps to high efficiency low wattage T8 lamps, and finally more recently LED for all different types of applications. In short, we know this world and the end user needs as well as anyone in the entire state of California and we know it from first-person, real world perspective of running a real business that employs about 50 people.

The actual impact of the new standards has been even worse than anticipated:

- For the first year in the history of our company we lost money in 2014.
- Our sales were down significantly.
- We no longer offer lighting projects for interior applications as no customers can afford them.
- I have laid off 8 crew members as a result of our lost business, and others have been moved to part-time status.
- We are attempting to make a run at selling and installing projects for exterior applications and we are having some success with this model, but sales are down by over 50% and this level of business is not enough to sustain us for the long run.
- We are now offering LED T8 lamps for some interior projects - but these projects will not feature rebates and the state utility companies will not ever recognize or capture the savings from these projects.
- It is our experience that City inspectors and permit offices are clueless in how to properly interpret the Title 24 2013 rules. They openly admit that they do not understand the rules. This has been extremely problematic when attempting to design systems that comply with the new rules.



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- It is also our experience that even the most forward thinking and progressive manufacturer product lines are simply not ready for this market. We have installed "state of the art" systems that were created to comply with the new California standards only to find that the system design is not yet quite ready for the real world. (There are no manuals written for how to install them, the software is not yet functional, and manufacturers are not producing hardware yet.)

In theory I suppose the new standards are a good idea. The problem is they should have been adopted for new construction only, with modified rules being implemented for lighting retrofit. That issue has killed the retrofit industry. The products that are required to meet the new rules simply are not yet cost effective for the mainstream market. Companies like mine are folding every month and hundreds and hundreds of California people are losing good paying jobs. (Not to mention the negative impact upon the overall goal to be more energy efficient.)

The results of the new standards have directly impacted and decimated my company. I have laid off some of my most talented crews due to a shortage of work. I have several sales people that have nearly exhausted their savings attempting to ride out the storm.

I do hope that you will listen to my plea. I ASK AND BEG THAT YOU CONSIDER REVISING THE STANDARDS. The current language has killed our industry and resulted in many lost jobs (that were good paying positions!). The sad news is – if the changes are not adopted until January 2017 our company will not be around to see the new rules. There is no way we will still be in business in 2017 if the standards are not revised before then.

Thank you for your help on the very important matter.

It's sad to see what has happened. Three years from now we will all look back on 2014 and comment about the poor decisions that were made that killed an entire industry.

Sincerely,

A handwritten signature in black ink, appearing to read "Neil Miller", with a stylized flourish extending from the end.

Neil Miller
CEO
American Lighting